IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL FROM ORDER No. 242 of 2005
With
CIVIL APPLICATION No. 4292 of 2005
With
MISC.CIVIL APPLICATION No. 1113 of 2005

For Approval and Signature:

HONOURABLE MR.JUSTICE A.L.DAVE

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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HIDAYATTULLAH AHMEDMIYA SHAIKH - Appellant(s)

Versus

TAJ FRESH FRUIT PRODUCTS CO. & 2 - Defendant(s)

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Appearance :

MR JATIN Y TRIVEDI for Appellant(s) : 1,
MR RR SHAH for Defendant(s) : 1,
None for Defendant(s) : 2 - 3.

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CORAM : HONOURABLE MR.JUSTICE A.L.DAVE

Date : 14/12/2005

ORAL JUDGMENT

This Appeal from Order arises out of an order passed by learned Presiding Officer of Court No.11 as Chamber

Judge, on 27th April, 2005, below Notice of Motion (Exhs.6 and 7) in Regular Civil Suit No.2522 of 2004 whereby, the said Notice of Motion Application, came to be dismissed and ex-parte ad-interim injunction granted earlier in favour of the plaintiff came to be vacated. Aggrieved by that order, the plaintiff has approached this Court.

2. In order that rival side contentions can be appreciated, facts of the case can be stated in brief as under.

2.1 The plaintiff is the sole proprietor of M/s. Taj Fruit Products and claims to be manufacturing and marketing of Cold Drinks, flavoured syrups and sarbats under the brand name of TAJ since 1955. The claim of the plaintiff is that because of prolonged use of this brand name, he has acquired a good-will in the market.

2.2 It is the case of the plaintiff that defendant No.1, M/s.Taj Fresh Fruit Products Company, is also engaged in the business of manufacturing of sarbats, syrups and other similar products and is marketing the said products through defendant No.2, Taj Food Products Company, Mumbai, who, in turn markets the said products

in retail through defendant No.3 and several other persons.

2.3 As per the case of the plaintiff, the plaintiff's father, Ahmedmiya Sarbatwale had started this business in the year 1955 and then, he also started a Restaurant and Cold-drinks Center in name of New Taj Cold Drinks and Restaurants. Later on, the plaintiff became partner in that firm and the business was continued under the same name and style. Later on, the plaintiff started business by constituting a new company under the trade name of Taj Food Products in the year 1996, as a sole proprietary concern. The plaintiff's claim is that he adopted the trade mark TAJ to distinguish his product from the other products and has been using the said mark ever since. The case of the plaintiff is that he is using trade mark TAJ with a special device of a crown extensively, uninterruptedly and continuously for a period of 15 years and is using the same on lable of the products in the advertisement, pamphlets, hoardings and etc.

3. The plaintiff has also applied for registration of the said mark as trade mark. The application came to

be accepted in June 1999. The plaintiff has also applied for registration of the said mark in Class 29 and 32, which have also been accepted and, therefore, he is entitled to initiate action against imitators and infringers of the said trade mark.

3.1 The case of the plaintiff against the defendant is that he has recently learnt from market sources that the defendants have started using identical and / or deceptively similar trade mark containing and consisting word TAJ for the products covered under the same class of goods for which the plaintiff has obtained registration and, therefore, the suit was brought by the plaintiff seeking injunction against the defendant from using the said trade mark.

3.2 The case of the defendant on the other hand in their reply (Exh.26) is that the plaintiff's firm came into existence in 1996 only. The defendant No.2 is a registered proprietor of trade mark TAJ in Class 32 in respect of Non Alcoholic Drinks, Syrups and other preparation for making beverages, etc., and has acquired high reputation in the market for trade mark TAJ since 1962. According to the defendant, they are

prior in market and therefore, the plaintiff is not entitled for injunction as prayed for.

4. The trial Court after considering the rival side contentions found that for succeeding in a passing off action, the plaintiff has to establish his prior existence in the market and use of the mark. The Court found that use of the mark claimed by the plaintiff for last 50 years is in fact, use by his father, who is alive and who has not initiated any action nor is he a party to the suit. The suit is filed by the plaintiff in his personal capacity. His firm came into existence only in June, 1996, although the suit is not filed on behalf of the firm. Therefore, the party claiming prior user even as per the plaintiff was not before the Court. The trial Court, therefore, came to a conclusion that the plaintiff failed to establish that he is in market prior to the defendant and therefore, passed the impugned order.

5. Learned Advocate, Mr.Tolia appearing for Mr.Trivedi in his extensive arguments relied upon several judgments to bring home the point that the defendant himself adduced documentary evidence of their having used the

trade mark like marketing, advertising, advertisement bills, invoices, etc., to show the use of the trade mark by plaintiff. He also relied upon certain judgments to support his contention that prior user of the trade mark is entitled for injunction against subsequent user and licencing of trade marks registered or unregistered is permissible in law.

6. Mr.Tolia, submitted that here is a case where the plaintiff's father has been using mark TAJ since 1955, although he is not a party to the suit. The plaintiff is using the said mark as licensee and, therefore, will have a right to take legal action for passing off action. He has taken this Court to the material produced on record of the trial Court to show that the mark is being used for a long time. He submitted that it is not the case of the other side that they are not using the mark, except that the device used is different. Mr.Tolia, submitted that even if the case of the defendant is accepted, they claim user since 1962. Whereas, the plaintiff is using this since 1955 and therefore, plaintiff would be a prior user than the defendant. Mr.Tolia, submitted that the defendant has produced on record material to show that the mark was

registered but, there is material to show that the defendant did not pay requisite fees in the year 1994 and therefore, the mark has wrongly continued on the register. He has drawn attention of this Court to the certificate issued by authority in this regard. According to Mr.Tolia, prior registration and prior user are two different things and there is no material produced by the defendant to show that they are prior user of the mark. The lower Court, therefore, committed an error in refusing to grant injunction. He, therefore, submitted that this appeal may be entertained.

7. Learned Advocate, Mr.Shah, appearing for the original defendant-respondents, submitted that the defendant is enjoying registration of the mark for many years. It has been renewed from time to time and the latest situation is certified by the registering authority is that the registered mark still exists on the register in favour of the defendant.

7.1 Mr.Shah, submitted that the suit is preferred by the plaintiff in his personal capacity as proprietor of M/s. Taj Food Products. The use of the mark by his

father and his father's firm in which the plaintiff was a parter. Neither plaintiff's father nor the firm are party to this litigation. The suit is preferred in personal capacity as sole proprietor of M/s. Taj Food Products which came into existence in 1996 for the first time and, therefore, it cannot be said that the plaintiff is in market prior to the defendant.

8. Mr.Shah, has drawn attention of this court to Trade Mark Journal wherein, while advertising the trade mark of the defendant, the defendant has claimed user of the mark since 1962, which has been renewed from time to time. Mr.Shah, submitted that, may be in the year 1994 requisite fees for renewal may not have been paid but, the mark still exits on register as per the latest certificate issued by the concerned authority and, therefore, the trial Court was justified and legally right in not granting injunction. The appeal may not be entertained and may be dismissed. Mr.Shah, submitted that lapse in renewal in 1994 has now been rectified and the Mark still exits in the Register.

9. This Court has taken into consideration the rival side contentions. At the outset, it may be noted that the

plaintiff has filed the suit in his personal capacity as proprietor of M/s.Taj Food Products. Undisputedly, the said firm came into existence in the year 1996.

10. Learned Advocate, Mr.Tolia, has placed reliance on several judgments in support of his contentions that licencing of trade marks registered or unregistered is permissible. It is, therefore, canvassed by him that the plaintiff's suit would be valid even for the claim of use of trade mark by his father, Ahmedmiya Sarbatvale. However, it transpires that before the lower Court no such case was canvassed. It does not transpire either from the plaint or from the application that the suit is preferred in capacity of a licensee. The result therefore, would be that the suit is preferred by the plaintiff as proprietor of M/s.Taj Food Products, which came into existence in 1996. Whereas, the defendant is able to show on record that the mark was registered in the year 1987 in favour of defendant and the use was claimed since 1962. The registration was renewed from time to time by paying requisite fees except in the year 1994, where it appears that requisite fees were not paid and therefore, as per certificate issued, the mark wrongly

remained on the register. However, a subsequent certificate issued in October, 2004, has been produced by the defendants to show that requisite fees are paid and the mark is renewed. Be that as it may, fact remains that the plaintiff does not claim to be registered owner of the trade mark. The action is for passing off and therefore, prior user would be a relevant factor. It is true that there is no material to show actual, physical user and trading by the defendant under the said brand name. But, it is indicated that registration was obtained in the year 1987 by defendant and renewed from time to time by paying requisite fees. By judging the issue on principles of preponderance of probability, an inference can legitimately be drawn that a person would not go on paying fees for a mark, if he is not using the same. Obtaining registration in the year 1987; claiming use since 1962; was an act by the defendant undertaken in ordinary course of business and can not be considered as an action in anticipation of any such action by the plaintiff, which is taken in the year 2004 and, therefore, there appears no mistake on part of the trial Court in coming to the conclusion that the defendant is prior user. Non renewal of registration

of trade mark due to nonpayment of fees therefore will not abrogate the effect of prior user of trade mark by defendant and rights guaranteed thereby is an passing off action.

11.Learned Advocate, Mr.Tolia, has also raised contention that father of the plaintiff has sworn an affidavit in support of the contention of the plaintiff about licensee. As discussed earlier, it is not the case of the plaintiff in his pleadings that the suit is filed as a licensee. The affidavit, therefore, would be an evidence without pleading and therefore, of no virtue to the plaintiff. It is also contended that the defendants have not shown actual use of the mark even after 1996. As discussed earlier, the case of the parties have to be considered on principles of preponderance of probability and not strict proof. In such a situation when it is indicated that the defendant while getting the mark registered in 1987, claimed to be user since 1962 is an action at a point of time when he never anticipated any action against him by anybody. The contention therefore, is of no virtue to the plaintiff.

12.It would also be appropriate to note that the plaintiff's firm came into existence in 1996. It is not his case that the suit is filed by him as a licensee. The earlier use is admittedly by his father and his father's partnership firm in the name of New Taj Cold Drinks and Restaurant. Neither the father of the plaintiff nor the firm are party to the litigation. In this set of circumstances, this Court finds no error on part of the trial Court in dismissing the plaintiff's Notice of Motion. The Appeal from Order therefore, must fail and stands dismissed.

13.At this stage, Mr.Tolia, submits that the plaintiff is enjoying injunction since 28th September, 2004, the plaintiff proposes to approach Higher Forum and therefore, the order may be extended for a period of 6 weeks. Learned Advocate, Mr.Shah, has objection to this. According to him, no injunction is operating. It is only on basis of statement by the defendant before this Court on 27/5/2005 to the effect that the defendant would not act contrary to the ad-interim injunction granted by the trial Court till 31/5/2005, which is continued till to-day.

14.What emerges from the above is that the ad-interim injunction granted by the trial Court operated till 27/5/2005 and thereafter, that order is operating on statement made by the learned Advocate for the defendant. Fact remains that the ad-interim injunction is operating since 28th September, 2004. In this situation, request made by learned Advocate, Mr.Tolia deserves to be accepted. The defendant will not act contrary to the ad-interim injunction granted by the trial Court for a period of six weeks from to-day.

15.In view of the order passed in Appeal from Order, Civil Application No.4292 of 2005 does not survive and disposed of accordingly. Misc. Civil Application No.1113 of 2005, does not press and the same is disposed of accordingly.

(A.L.DAVE, J.)

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